Exhibit 82

WESTPOINT MARINA AND BOATYARD

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References: Application for Permit number 2-02 to BCDC dated May 21, 2002
BCDC letter response dated June 20, 2002
My letter response dated August 15, 2002 to BCDC
Second BCDC response dated September 15, 2002

Dear Andrea:

Since our meeting with Steve McAdams, Bob Batha and yourself together with Skid Hall, Maureen O'Conner and I, we have spent a good deal of time and effort to realize the desires of BCDC for Westpoint Marina. As part of this process I engaged the services of Mr. John Corrough of the Corrough Consulting Group, a marina architectural firm, and Mr. Randy Mason of Cash and Associates, a marina engineering firm. Both John and Randy enjoy international reputations in the field of and waterfront development. They have developed several means to achieve the water to land ratios desired by BCDC, presented as tradeoffs in terms of cost and detrimental impact on the marina design.

To each point in your September 15, 2002 letter regarding Westpoint Marina and Boatyard I have responded below, and I believe that our application is complete. You will see we spent the most time on the subject of water surface, as was emphasized in our meeting.

1. ***Bay Plan Salt Policies.***

a. Sale of the Property. I understand that you have contacted Mr. Robert Douglass of Cargill to inquire about Cargill intentions for their lands west of the marina site. As we discussed at our meeting and as indicated in the USGS maps we viewed, no Cargill ponds are isolated from the Bay by Westpoint Marina, nor does it limit the potential opening of Cargill property to the Bay. Also, as explained in the Cargill letter presented to you at the meeting, Westpoint Marina does not impact continued salt production in the West Bay as a result of re-engineering of salt operations at the site. As you noted at our meeting, Cargill in any event seems to be winding down its Redwood City operations.

b. Open Water. This has been the most complex issue, as it is possible to apply practical guidelines for marina design and also satisfy the wishes expressed by BCDC for more water surface only at great additional cost. We used three primary references for this subject: "Layout and Design Guidelines for Small Craft Berthing Facilities by the State of California Department of Boating and Waterways; Planning and design Guidelines for Small Craft Harbors by the American Society of Civil engineers; and finally Marinas and Small Craft Harbors by Tobiasson and Kollmeyer. I was fortunate to have the opportunity to consult with Mr. Tobiasson at length about the Westpoint Marina design and BCDC desires.

In the following analysis we included the entire 35 acre marina site together with the 8 acre adjacent property easement for a total of 43 acres, as requested in our meeting. Those changes which do not have a large cost impact are listed first, followed by changes which either degrade the marina design, or add costs.

First, we have recalculated the water-uplands ratio at mean high tide as you suggested. This yields quite a bit of additional water surface, owing to the gentle external levee slopes we have designed.

The basin entrance is substantially enlarged from 75 feet to 300 feet. This adds more water area, reduces rip-rap, and should promote water exchange in the marina basin. This enlarged entrance is the maximum that can be considered safe, and a further increase would represent dangerous exposure to wave action.

That portion of the external levee below mean high water which surrounds the project qualifies as water in the BCDC definition (i.e., it is not "fill"). In previous drawings provided to BCDC the levees were shown at their lowest extreme, which is well below low-low water.

The marina site design anticipates 4 feet of subsidence over time, other than that part which will be stabilized by surcharging and dewatering. We took this subsidence into account in calculating water surface. The attached drawings and calculations show *final* design levels of the levees as opposed to the initial construction levels.

The storm water channel on the property is undisturbed, however it has a water component which is included in the calculation of water surface.

A significant portion of the easement licensed from Cargill where the new levee is to be built remains below the line of highest tidal action; and therefore is salt pond in the BCDC definition. If the opinion that bittern ponds are salt ponds is upheld, then the remainder of Pond 10 is interpreted as water (it's now flooded again, so it really is water!). That part of the easement below MHW has been counted as water, and that above MHW included as land.

None of the items noted above negatively impact the marina design, and yield a ratio of water to land of about 40%. Each of the additional measures outlined below have been applied to approach the BCDC desired ratio of 50% for water surface. These measures come at a very high cost, but we *were* able to further increase the ratio of water to uplands (as measured by BCDC) in the marina. These increased costs include much greater development expense, decreased safety margins, and reduced amounts of non-enterprise public facilities. There is also substantially lower revenue potential because of the reduction in berthing facilities. None of these measures improve the marina, public access, or environment.

The haulout basin (straddle lift) in the boatyard will be enclosed by sheet piling. This provides some additional water surface, at an increased cost of $1500 to $2000 per running foot, or about $120,000.

The internal riprap slopes have been reduced from 4:1 to 3:1. This is still conservative, but the cost and time to dewater the site and still achieve the same slope stability increases a great deal. This cost is somewhat related to how fast the process is to be accomplished, but it is an estimated incremental $300,000.

A short retaining wall/grade beam called a "Cabrillo Wall" can be constructed to surround the inner perimeter of the marina basin at the top of the riprap. This improves the land/water ratio and has the attractive feature that the increase in the basin area comes without a corresponding reduction in the uplands area. Although the gain is just a few feet at the edge of the basin, the cumulative effect on the entire basin is considerable. A Cabrillo Wall is quite expensive, costing about $800 per running foot.

The number of permanent slips has been reduced to 305. This cuts the revenue-generating capability of the marina by 25%, a serious financial concern.

Worse, the demand for boating and fishing facilities in the South Bay is increasing. Closures that have occurred (Peninsula Marina) and will occur in two years (Pete's Harbor) will displace nearly 700 boats, more than twice the proposed capacity of Westpoint Marina. The *current* waiting list would nearly fill the marina. Opinions that South Bay boaters only want to transit to the North Bay are unfounded. The fact is that the only destination harbors and fuel/yard facilities that exist are in the North Bay. Historically, South Bay boating was very active until the precipitous decline in facilities.

The marina dock system will use double slips with 4 foot marginal walkways with 8 foot main walkways. These dock dimensions are at minimums for safety, and cannot be made narrower. Moreover they are not consistent with a modern high-end marina in the United States.

At 305 slips and applying the BCDC guideline of 10% maximum liveaboards yields 30 "permanent" boats. At 100% occupancy (for all other projections I used a 90% occupancy rate) this yields a boat shadow area of 1156 square feet, or .06%. This is per the recommendation of Alan Pendleton who assisted in this analysis.

Taken together, all these measures yield the follows areas:

Total project area (including easement)	1,877,766.5 sf	(100.0%)

Total land area above 103.0	896,733.7 sf	(47.76%)
Total floating dock area	68,442.0 sf	(3.64%)
Total boat shadow (305*.1*37.9)	1,155.8 sf	(0.06%)
Total water area	911,435.0 sf	(48.54%)

Parking. During our meeting an opinion was voiced that we have an overabundance of parking, and that this could be reduced to improve the ratio of water to land. An independent analysis of parking using industry standards was conducted by Corrough. It indicated that to the contrary the proposed 400 parking spaces are inadequate—even with a 25% reduction in berthing spaces.

Based on DBAW guidelines and industry practice, the desired parking capacity is as follows:

Marina slips	305@ 0.6 space/slip	183 spaces
Launch ramp	2 lanes @16/lane	32
Dry storage	300 @ 0.3 space/slot	90
Crew facilities	10 shells @ ave 4spaces/shell	40
Boatyard	typ. employee/visitor mix	30
Yacht club	typ. employee/visitor mix	100
Harbormaster/fuel dock	typ.employee/visitor mix	12
Retail (per concept)	5/1000 sf.	112
Restaurant	438 seats @1/e seats	100
public areas	typical for site uses/areas	80
Total estimated site parking demand		779 spaces

To mitigate this problem the marina layout has been modified to take advantage of differing periods of peak activity for the boatyard, marina, and retail areas. You will note for example that parking along the perimeter road has been added for loading and unloading of boats.

In concluding comments on the land-water ratio, I would point out that I am aware of no marina that passes these BCDC criteria for land/water, including marinas in far more sensitive locations. Most marinas strive to maximize uplands for parking and infrastructure, and extend berthing out into public waters.

In a March 15, 2002 letter from Will Travis explaining BCDC salt pond policy, he noted that "...the proposed project should retain the maximum amount of water surface area *consistent with the proposed project*". I do *not* believe that the latter measures to achieve 50% are consistent with any waterfront development, and come at a very dear price.

2. Property Document.

a. **State Lands** lease. Enclosed for your information is the engineering analysis (Attachment 1) showing that a lease from State Lands is not required for the activities proposed at Westpoint Marina, together with correspondence with State Lands on this subject. We will apply for a State Lands Dredging Permit a few months before the expected work commences as they recommend. My contact at California State Lands Commission has been Diane Jones, who may be reached at 916-574-1843. Ms. Jones has concluded that we have satisfactorily met their requirements and sent a letter to that effect to the COE.

b. Attachment 2 is the easement agreement with Cargill for approximately 8 acres along the south-western boundary of the site. Attachment 3 is the easement description and engineering drawing. The drawing set which we submitted at our most recent meeting indicates this easement as well as access through adjacent Pacific Shores.

3. **Recreational (Marina) Policies.**

Attachment 4 is the sedimentation analysis performed by Berlogar Geotechnical. As you can see, the results are consistent with the experience of nearby Redwood City Municipal Marina and Pete's Harbor. The initial basin excavation depth accommodates the sedimentation expected at this site for thirty years. As was apparent from the charts that we examined in your offices, there are no other suitable and available locations in the entire South San Francisco Bay that even approach Westpoint Marina with respect to minimalist maintenance dredging.

You have received under separate cover the completed Geotechnical Analysis for Westpoint Marina and Boatyard.

4. **Access by the Public.** I understand that at a later date the Design Review Board will participate with me in defining access by the public.

5. **Site Plans.** As in 4 above, the boatyard area and retail portion will be refined with further market analysis after the marina is in place. I believe however that the current scale of Phases 2 and 3 are economically viable. (Phase 1 is construction of the basin/uplands construction as well as the dock and marina infrastructure).

6. **Government Approvals.**

a. U.S. Fish and Wildlife Service. After the informal consultation with FWS as well as the Corps of Engineers, I have continued to discuss progress with the agency, both in Sacramento and the local Refuge Manager. They advise that they are overloaded with emergency work and litigation, but promise to attend to our project soon. Meantime I am proceeding to implement those measures requested by FWS, including the erection of signs around Greco Island to warn boaters of the sensitivity of the area.

b. SF Bay Regional Water Quality Control Board. I met with and have been in frequent contact with the RWQCB, and have attached the most recent correspondence for your information (attachment 6). Elizabeth Christian has been my primary contact and she has verbally informed me that our application appears to be satisfactory.

c. City of Redwood City. At our meeting I presented copies of approvals and notifications from Redwood City, and understand that the Planning Commission has separately responded to BCDC.

7. **Environmental Documentation.** As above, I believe the matter of CEQA procedures has been resolved with the City of Redwood City.

8. **Fill in a Salt Pond.** As a former bittern pond, it is unclear that this site is a salt pond, and resolution of this will require a legal determination. Westpoint

Marina reserves the right to contest that this site is within BCDC jurisdiction, except for the first 100 feet inland from Westpoint Slough. Having said that, I am able to provide the following answers to your questions regarding fill:

The floating docks will be retained in place by pilings in the conventional manner, however piling supported fill (by this I presume you mean dock gates, restrooms, et cetera) will not extend over the water but will be above the Cabrillo Wall and riprap around the inner basin. Only the main ramps to the docks will extend over water, and are included in the analysis above.

The attached drawing (a) shows the project with that part of the design above MHW, and drawing (b) shows the full extent of the riprap (both new riprap in the newly created basin, as well as replaced riprap on the shoreline along Westpoint Slough).

Andrea, these maps illustrate a current design of the marina incorporating all of the measures noted above to increase the water/uplands mix, and I am sure you will be pleased that we have been able to achieve the objectives outlined by BCDC. I would ask that you in turn consider those measures that actually provide a benefit as perceived by BCDC, and reconsider those which serve only to drive up the cost of the marina and boatyard.

Sincerely,

Mark L. Sanders

Cc: Dr. Skill Hall
Pete Bohley, Bohley Consulting
Kent Mitchell, Mitchell and Hertzog